## NOTIFICATION. 901

No. L.D. 1522-28, dated Bangalore, the 14th August 1950.

Under Rule 36 of the Mysore Legislative Rules, the following Bill, together with Statement of Objects and Reasons is published for general information.

## THE MYSORE ALIENATED VILLAGES (PROTECTION OF TENANTS AND MISCELLANEOUS PROVISIONS) BILL, 1950.

**A Bill to provide for temporary protection of tenants in alienated villages in Mysore and to ensure that such tenants are not deprived of the usual amenities reserved for the use of the village community.**

Preamble.

WHEREAS it is expedient to provide, pending further legislation, for the temporary protection against eviction of tenants in alienated villages and also to ensure that the tenants are not deprived of the usual amenities by the disposal of trees, and to provide for the control of alienation of reserved land, and of lands in the possession of tenants:

It is hereby enacted as follows:—

Short title, extent and commencement.

1. (1) This Act may be called the Mysore Alienated Villages (Protection of Tenants and Miscellaneous Provisions) Act, 1950.

(2) It extends to the whole of the State of Mysore and shall apply to all alienated villages in the State.

(3) It shall come into force at once, and shall remain in force up to and inclusive of the 31st day of December, 1952.

Definitions.

2. In this Act, unless there is anything repugnant in the subject or context:—

(1) "alienated village" includes a Khayamgutta village;

(2) "reserved land" means, in an alienated village to which the provisions of Chapters VIII and IX of the Mysore Land Revenue Code, 1888, have been applied, all lands which have been reserved under section 39 of the said Code, and, in an alienated village to which Chapters VIII and IX of the said Code have not been applied, all land other than—

(*a*) land held by Kadim tenants or permanent tenants; or land in the possession of tenants at will, and

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(*b*) land in the possession of the holder of the alienated village and cultivated by himself or by his own servants or by hired labour, uninterruptedly from the first day of July, 1946.

(3) All other expressions shall have the meanings assigned to them respectively in the Mysore Land Revenue Code, 1888.

Control of eviction of tenants.

**3.** Notwithstanding anything contained in any law for the time being in force, or any contract between the parties, no suit shall lie for the eviction of a tenant in an alienated village who has been holding, or is in possession of, land used for purposes of agriculture uninterruptedly from the first day of July, 1946, nor such tenant shall be evicted in pursuance of any decree or order of any court, or otherwise, if such tenant tenders to the superior holder, or any person acting on his behalf, within two months from the date of commencement of this Act, the rent or land revenue due in respect of the land up to and including the year ending with the thirtieth day of June, 1949, and is willing to hold or continue in possession of the land thereafter as a tenant on the same terms and conditions on which he was holding, or was in possession of, the same on the said first day of July, 1946:

Provided that, subject to the provisions of section 4, the protection afforded by this section shall continue only so long as the rent or land revenue for any year is tendered by the tenant to the superior holder, or any person acting on his behalf, before the expiry of the thirtieth day of June of that year.

Reduction or suspension of rent in certain cases.

**4.** When owing to inadequate rainfall in any tract the State Government orders the suspension or remission of assessment in respect of lands in the said tract, the rent or land revenue payable by a tenant in an alienated village in the said tract to his superior holder shall be deemed to have been suspended or remitted in the same proportion as the assessment due to the State Government in such tract in respect of unalienated villages is suspended or remitted.

Revival of rights, liabilities and obligations after the expiry of the Act.

**5.** Any right, privilege, obligation or liability acquired, accrued or incurred under any enactment, decree or order of any court, or under any contract between the parties, immediately before the commencement of this Act, or which may be acquired, accrued or incurred,

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during the period this Act remains in force, but the enforcement of which has been stayed by the provisions of this Act shall, notwithstanding anything contained in section 6 of the Mysore General Clauses Act, 1899, immediately on the expiration of this Act, revive and be enforceable as if this Act had not been passed.

In computing the period of limitation for the enforcement of any such right, privilege, obligation or liability, the period during which the proceedings in respect thereof are stayed under this Act shall be excluded, notwithstanding anything contained in any law for the time being in force.

Control of alienation of reserved lands.

6. (1) No superior holder shall, without the previous approval in writing of the Deputy Commissioner, sell, mortgage, lease or otherwise assign or alienate any reserved land or land in the possession of tenants in any alienated village.

(2) Notwithstanding anything contained in any law for the time being in force, any sale, mortgage, lease or other assignment or alienation of any reserved land or of land in the possession of tenants effected

(i) after the first day of July, 1948; or

(ii) after the commencement of this Act in contravention of sub-section (1),

shall be void and shall have no effect:

Provided that any sale, mortgage, lease, or other assignment or alienation effected after the first day of July, 1948, and before the commencement of this Act, shall not be void, if such sale, mortgage lease, assignment or alienation is confirmed by the Deputy Commissioner on the ground—

(*a*) that the transaction has been entered into in good faith; or

(*b*) that the transaction has been entered into for valuable consideration; or

(*c*) that confirmation is necessary for maintaining the agricultural economy of the State.

Control of appropriation of agricultural land for non-agricultural purposes.

7. (1) No superior holder shall, without the previous approval in writing of the Deputy Commissioner, appropriate, or grant permission to any tenant to appropriate any land appropriated for purposes of agriculture, for any purpose unconnected with agriculture.

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(2) Notwithstanding anything contained in any law, or usage or custom having the force of law, for the time being in force, the appropriation, or the grant of permission for the appropriation, of any land appropriated for purposes of agriculture, for any purpose unconnected with agriculture in contravention of sub-section (1) shall have no effect.

(3) Any person who contravenes the provisions of sub-section (1) and any person who abets such contravention shall be punishable with imprisonment which may extend to one month or with fine which may extend to two hundred rupees or with both.

Control of disposal of trees.

8. (1) Notwithstanding anything contained in any law for the time being in force, no person shall fell, lop, sell or otherwise dispose of, any tree, in an alienated village, except under the orders in writing of the Deputy Commissioner:

Provided that the State Government may, by notification in the *Mysore Gazette*, exempt any specified class or classes of trees from the operation of this sub-section.

(2) Any person who contravenes the provisions of sub-section (1) and any person who abets such contravention, shall be punishable with imprisonment which may extend to one month, or with fine which may extend to two hundred rupees, or with both.

Appeals and revision.

9. (1) Any person aggrieved by any order of a Deputy Commissioner under this Act may, within thirty days from the date of communication of the order, appeal to the Revenue Commissioner; and the decision of the Revenue Commissioner on such appeal shall, subject to the provisions of sub-section (2), be final.

(2) The State Government may, in its discretion, call for and examine the record of any order passed by the Deputy Commissioner or the Revenue Commissioner for the purpose of satisfying itself as to the propriety of such order and may pass such order in reference thereto as it thinks fit.

Deputy Commissioner to sanction prosecutions.

10. No prosecution for any offence punishable under this Act shall be instituted except with the previous sanction of the Deputy Commissioner of the District.

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11. (1) No notification issued or order made in exercise of any power conferred by or under this Act shall be called in question in any proceeding in a court of law. Bar of jurisdiction.

(2) No suit or other legal proceeding shall lie against the State Government, the Reveuue Commissioner or the Deputy Commissioner or any other person in respect of any damage caused or likely to be caused by anything in good faith done or intended to be done in pursuance of this Act or of any rules made thereunder.

12. The State Government may, by notification in the *Mysore Gazette*, make rules to carry out the purposes of this Act. Rules.

13. The Mysore Alienated Villages (Protection of Tenants and Miscellaneous Provisions) Ordinance, 1950, (Mysore Ordinance No. III of 1950), is hereby repealed. But any rules or orders made, anything done and any action taken in exercise of any power conferred by or under the said Ordinance shall be deemed to have been made, done or taken in exercise of the powers conferred by or under this Act, as if this Act had come into force on the eleventh day of June 1950. Repeal and savings.

**Statement of Objects and Reasons.**

The State Government constituted a Committee in 1948 to go, among other things, into the question of the abolition of Inams, Jagirs, etc., and the Committee have made their recommendations in the matter which are at present under the consideration of the State Government. Complaints reached the State Government, in the meanwhile, that anticipating that the State Government will acquire Inam Villages, certain Inamdars were forcibly evicting tenants from lands in Inam Villages and that they were disposing of valuable trees and lands set apart in the village for the use of the village community. The State Government considered it necessary to control the eviction of tenants and disposal of reserved lands and trees in Inam Villages pending a comprehensive legislation dealing with Inams on the recommendations of the Committee.

Since urgent action was necessary to prevent the comprehensive Act, when passed, from being frustrated

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by the Acts of the Inamdars in the meantime, the Mysore Alienated Villages (Protection of Tenants and Miscellaneous Provisions) (Emergency) Act, 1949, (LXXVI of 1949), was promulgated on the 12th December 1949.

As this Emergency Act was due to expire in June 1950 and as the continuance of its provisions beyond its normal expiry date was necessary, the Mysore Alienated Villages (Protection of Tenants and Miscellaneous Provisions) Ordinance, 1950, (Ordinance IV of 1950), was promulgated in June 1950 for re-enacting the provisions of the said Emergency Act.

This Bill is intended to repeal and replace the Ordinance and it embodies an additional provision for controlling appropriation of agricultural land for non-agricultural purposes.

H. SIDDAIYA.

By Order of His Highness the Maharaja,

B. S. PUTTASWAMY,
*Legal Remembrancer and*
*Secretary to Government,*
*Law Department.*

## NOTIFICATION.

No. L.D. 1522-28, dated Bangalore, the 14th August 1950. 907

Under Rule 36 of the Mysore Legislative Rules, the following Bill, together with Statement of Objects and Reasons, is published for general information.

# THE MYSORE ELECTRICITY (TAXATION ON CONSUMPTION) BILL, 1950.

**A Bill to provide for the levy of a tax on the consumption of electrical energy in Mysore.**

Preamble.

WHEREAS it is expedient to provide for the levy of a tax on the consumption of electrical energy supplied by the Electrical Department of the State Government ;

It is hereby enacted as follows :—

Short title, extent and commencement.

**1.** (1) This Act may be called the Mysore Electricity (Taxation on Consumption) Act, 1950.

(2) It extends to the whole of the State of Mysore.

(3) It shall come into force at once.

Definitions.

**2.** In this Act, unless there is anything repugnant in the subject or context,—

(1) "consumer" includes a local authority, company or other person who consumes energy supplied by the Electrical Department of the State Government ;

(2) "energy" means electrical energy ;

(3) "prescribed" means prescribed by rules made under this Act.

Levy of tax on consumption of energy.

**3.** Subject to the provisions of this Act, every consumer shall pay every month to the State Government, at such time and in such manner as may be prescribed, a tax calculated at a rate not exceeding two pies per unit of energy as may, from time to time, by notification in the *Mysore Gazette*, be specified by the State Government, on and in respect of all energy consumed by the said consumer during the previous month.

Arrears of tax recoverable as an arrear of land revenue.

**4.** The tax payable under this Act which remains unpaid, shall be recoverable as an arrear of land revenue.

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Power of State Government to notify exemptions and reductions of tax.

**5.** The State Government may, by notification in the *Mysore Gazette*, make an exemption or reduction in rate in respect of the tax payable under this Act –

(i) on energy supplied for any specified purpose ; or

(ii) by any specified consumer or class of consumers.

Power to make rules.

**6.** The State Government may, by notification in the *Mysore Gazette*, make rules to carry out the purposes of this Act.

Repeal and savings.

**7.** The Mysore Electricity (Taxation on Consumption) Ordinance, 1950, (Mysore Ordinance No. IV of 1950), is hereby repealed. But any rules made, any notification issued, anything done and any action taken in exercise of any power conferred by or under the said Ordinance shall be deemed to have been made, issued, done or taken in exercise of the powers conferred by or under this Act, as if this Act had come into force on the first day of July, 1950.

**Statement of Objects and Reasons.**

In connection with the measures to be taken for augmenting the State Revenues, the State Government proposed the levy of a surcharge on the existing rates for the supply of electrical energy and the estimated receipts from this head was included in the Budget Estimate for the year 1950-51, which was approved by the Legislature.

It was found that the surcharge could not be levied on all consumers without separate legislation since the levy would affect existing contracts and that such legislation by way of Ordinance required the previous sanction of the President, and that if the levy was imposed in the form of a tax on consumption of electrical energy, no sanction of the Central Government was necessary. Since the Legislative Assembly was not in session and the matter was urgent, the Mysore Electricity (Taxation on Consumption) Ordinance, 1950, was promulgated by His Highness. The Bill is intended to repeal and replace the Ordinance.

K. T. BHASHYAM IYENGAR.

By Order of His Highness the Maharaja,

B. S. PUTTASWAMY,
*Legal Remembrancer and Secretary to Government; Law Department.*

## NOTIFICATION.

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No. L. D. 1522-28, dated Bangalore, the 14th August 1950.

Under Rule 36 of the Mysore Legislative Rules, the following Bill together with Statement of Objects and Reasons, is published for general information.

# THE CODE OF CIVIL PROCEDURE (AMENDMENT) BILL, 1950.

## A Bill further to amend the Code of Civil Procedure, 1911.

Preamble.

WHEREAS it is expedient further to amend the Code of Civil Procedure, 1911, (Mysore Act III of 1911), for the purposes hereinafter appearing;

It is hereby enacted as follows:—

Short title and commencement.

**1.** (1) This Act may be called the Code of Civil Procedure (Amendment) Act, 1950.

(2) It shall come into force at once.

Substitution of new sections 43 and 44 in Mysore Act III of 1911.

**2.** For sections 43 and 44 of the Code of Civil Procedure, 1911, (hereinafter referred to as the said Code), the following sections and Explanation shall be substituted, namely,—

Execution of decrees passed by Civil Courts in Part A States, Part B States, and Part C States.

"**43.** Any decree passed—

(*a*) by a Civil Court in a Part A State, or a Part B State, other than the State of Mysore, or a Part C State, or

(*b*) by a Civil Court in any area within a Part A State, or Part B State or Part C State, to which the provisions relating to execution do not extend, or

(*c*) by a Court established or continued by the authority of the Central Government outside India,

may, if it cannot be executed within the jurisdiction of the Court by which it was passed, be executed in the manner herein provided within the jurisdiction of any Court in the State of Mysore.

Execution of decrees passed by Revenue Courts in Part A States, Part B States or Part C States.

**44.** The State Government may, by notification in the *Mysore Gazette*, declare that the decrees of any Revenue Courts in any Part A State, or Part B State, other than the State of Mysore, or Part C State or any class of such decrees may be executed in the State of Mysore, as if they had been passed by Courts in the State of Mysore.

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*Explanation.*—In sections 43 and 44, "Part A State" shall mean a State for the time being specified in Part A of the First Schedule to the Constitution of India, "Part B State" shall mean a State for the time being specified in Part B of that Schedule and "Part C State" shall mean a State for the time being specified in Part C of that Schedule, or a territory for the time being administered by the President under the provisions of Article 243 of the Constitution of India."

Insertion of new sections 109, 110 and 111 in Mysore Act III of 1911.

**3.** After section 108 of the said Code, the following sections shall be inserted, namely :—

*Appeals to the Supreme Court.*

When appeals lie to the Supreme Court.

"**109.** Subject to the provisions in Chapter IV of Part V of the Constitution of India and such Rules as may, from time to time, be made by the Supreme Court of India regarding appeals from High Courts in the territory of India and to the provisions hereinafter contained, an appeal shall lie to the Supreme Court :—

(*a*) from any judgment, decree or final order passed on appeal by the High Court,

(*b*) from any judgment, decree or final order passed by the High Court in the exercise of original civil jurisdiction ; and

(*c*) from any judgment, decree or order, when the case, as hereinafter provided, is certified to be a fit one for appeal to the Supreme Court.

Value of subject-matter.

**110.** In each of the cases mentioned in clauses (*a*) and (*b*) of section 109, the amount or value of the subject-matter of the suit in the Court of first instance and still in dispute on appeal must have been twenty thousand rupees or upwards, and the amount or value of the subject-matter in dispute on appeal to the Supreme Court must be the same sum or upwards ;

or the judgment, decree or final order must involve, directly or indirectly, some claim or question to or respecting property of like amount or value ;

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and where the judgment, decree or final order appealed from affirms the decision of the Court immediately below the Court passing such judgment, decree or final order, the appeal must involve some substantial question of law.

Savings.

**111.** (1) Nothing contained in this Code shall be deemed—

(*a*) to affect the powers of the Supreme Court under Article 136 or any other provision of the Constitution, or

(*b*) to interfere with any Rules made by the Supreme Court, and for the time being in force, for the presentation of appeals to that Court or their conduct before that Court.

(2) Nothing herein contained applies to any matter of criminal jurisdiction."

Amendment of the First Schedule to Mysore Act IV of 1911.

**4.** In the First Schedule to the Mysore Limitation Act, 1911, after article 178 A, the following article shall be inserted, namely:—

"

| Description of application | Period of limitation | Time from which period begins to run |
|---|---|---|
| 1 | 2 | 3 |
| 179. By a person desiring to appeal under the Code of Civil Procedure, 1911, to the Supreme Court for leave to appeal. | Ninety days | The date of the decree appealed from. |

"

## Statement of Objects and Reasons.

Article 261 (3) of the Constitution of India enacts that final judgments or orders delivered or passed by civil courts in any part of the territory of India shall be capable of execution anywhere within that territory according to law. The Government of India have accordingly adapted the Indian Code of Civil Procedure, 1908, by substituting new sections 43 and 44, providing for the

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enforcement of decrees passed in Part B States, in Part A and Part C States. Since it will take some time before the Indian Code is extended to Mysore, they have requested that a similar amendment may be made in the Mysore Code of Civil Procedure. Clause 2 of the Bill makes provision for this.

Articles 132, 133 and 136 of the Constitution of India provide for appeals to the Supreme Court of India from any judgment, decree or final order in a civil proceeding of a High Court in the territory of India. In view of the mandatory provisions contained in these articles, necessary adaptations have been carried out by the Government of India in sections 109, 110 and 112 of the Indian Code of Civil Procedure, 1908. The Mysore High Court have suggested that similar provisions should be included in the Mysore Code of Civil Procedure. Clause 3 makes this amendment.

It is also considered necessary to make consequential amendments in the Mysore Limitation Act, 1911, for fixing the period of limitation for applying for a certificate for leave to appeal to the Supreme Court under the Mysore Code of Civil Procedure. For this purpose, by Clause 4 of the Bill, a new Article 179 has been proposed to be inserted in the First Schedule to the Limitation Act on the lines of the corresponding Article contained in the Indian Limitation Act, 1908.

K. T. BHASHYAM IYENGAR.

By Order of His Highness the Maharaja,

B. S. PUTTASWAMY,
*Legal Remembrancer and*
*Secretary to Government,*
*Law Department.*

## NOTIFICATION.

No. L.D. 1522-28, dated Bangalore, the 14th August 1950. 913

Under Rule 36 of the Mysore Legislative Rules, the following Bill together with Statement of Objects and Reasons is published for general information.

## THE MYSORE SALES-TAX (AMENDMENT) BILL, 1950.

### A Bill further to amend the Mysore Sales-Tax Act, 1948.

Preamble.

WHEREAS it is expedient further to amend the Mysore Sales-Tax Act, 1948, (Mysore Act XLVI of 1948), for the purposes hereinafter appearing;

It is hereby enacted as follows:

Short title and commencement.

1. (1) This Act may be called the Mysore Sales-Tax (Amendment) Act, 1950.

(2) It shall come into force at once.

Amendment of section 22 of Act XLVI of 1948.

2. In section 22 of the Mysore Sales-Tax Act, 1948, (hereinafter referred to as the said Act), the word "Civil" wherever it occurs shall be omitted.

Amendment of section 24 of Act XLVI of 1948.

3. For sub-section (3) of section 24 of the said Act, the following sub-section shall be substituted, namely:—

"(3) Nothing in this section shall apply to the disclosure of any of the particulars referred to in sub-section (1)

(*a*) for the purposes of a prosecution under the Indian Penal Code, in respect of any statement, return, accounts, documents or evidence, or for the purposes of a prosecution under this Act; or

(*b*) to an officer of the Central Government, as may be necessary, for the purpose of enabling that Government to levy or realise any tax imposed by it."

**Statement of Objects and Reasons.** 994

Section 22 of the Mysore Sales-Tax Act, 1948, provides that no assessment made and no order passed under the Act or the rules made thereunder by any assessing authority shall be called in question in any Civil Court. This section does not rule out the possibility of the assessments being challenged in a Criminal Court in which prosecutions are launched under section 20. In order to prevent tax-dodgers from resorting to such evasive tactics and thereby ensure the smooth recovery of taxes from them, it is considered necessary to amend section 22 so as to protect sales-tax assessments from being questioned in Civil as well as Criminal Courts.

Section 54 of the Indian Income-Tax Act, 1922, was amended recently to permit Income-Tax authorities to disclose to the officers of State Governments any information that the latter may require for the purpose of enabling those Governments to levy or realise any tax imposed by them. The Government of India have requested the State Government to amend the Mysore Sales-Tax Act, with a view to providing similar facilities to the Income-Tax authorities of the Central Government.

Under Section 24 of the Mysore Sales-Tax Act, returns, accounts or documents produced in accordance with the provisions of the Act are confidential between the assessee and the Sales-Tax authorities, except for the purpose of a prosecution under the Indian Penal Code or for the purposes of a prosecution under the Sales-Tax Act. As this section does not permit disclosure of information for any other purpose and as it is felt that the exchange of information between the Income-Tax authorities and Sales-Tax authorities will prove very useful for preventing tax evasion, it is proposed to amend section 24 for giving effect to this object.

H. C. DASAPPA.

By Order of His Highness the Maharaja,

B. S. PUTTASWAMY,
*Legal Remembrancer and*
*Secretary to Government,*
*Law Department.*

## NOTIFICATION.

No. L. D. 1522-28, dated Bangalore, the 14th August 1950. 915

Under Rule 36 of the Mysore Legislative Rules, the following Bill, together with Statement of Objects and Reasons, is published for general information.

# THE MYSORE WAREHOUSES BILL, 1950.

**A Bill to provide for the regulation and licensing of Warehouses in the State of Mysore.**

WHEREAS it is expedient to encourage the establishment of warehouses and make provision for their proper supervision and control ; Preamble.

It is hereby enacted as follows :—

## CHAPTER I.

### PRELIMINARY.

**1.** (1) This Act may be called the Mysore Warehouses Act, 1950. Short title, extent and commencement.

(2) It extends to the whole of the State of Mysore.

(3) This section shall come into force at once ; and the rest of this Act shall come into force on such date as the State Government may, by notification in the *Mysore Gazette*, appoint.

**2.** In this Act, unless there is anything repugnant in the subject or context— Definitions.

(1) " depositor " means a person who tenders his goods to a warehouseman for storing in his warehouse and shall include any person who lawfully holds the receipt issued by the warehouseman in respect of the goods and derives title to it by proper endorsement or transfer from the depositor or his lawful transferee ;

(2) " goods " shall include raw produce, manufactured articles and merchandise ;

(3) " prescribed " means prescribed by rules made under this Act ;

(4) " prescribed authority " means, in relation to any provision of this Act, the authority prescribed by rules to carry out such provision ;

(5) " receipt " means a warehouse receipt in the prescribed form issued by a warehouseman to a depositor

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showing that certain goods described therein have been deposited in his warehouse;

(6) "rules" mean rules made by the State Government under this Act;

(7) "warehouse" means any building, structure or other protected enclosure which is or may be used for the purpose of storing goods; but does not include cloak rooms attached to hotels, railway stations, the premises of other public carriers and the like;

(8) "warehouseman" means a person who carries on the business of storing produce or goods on behalf of depositors and issues receipts for the goods stored in his warehouse.

## CHAPTER II.

### LICENSING OF WAREHOUSES.

Warehouseman not to carry on business without license.

**3.** No person shall, without a licence, carry on the business of a warehouseman or hold himself out as a warehouseman.

Application.

**4.** Every person desirous of carrying on the business of a warehouseman shall take out a licence for the conduct of such business by making an application to the prescribed authority in the prescribed form.

Security to be given by the applicant.

**5.** No application for such licence shall be granted unless the applicant furnishes such security as is sufficient in the opinion of the prescribed authority for the proper conduct of the warehouse.

Conditions for the grant of licence.

**6.** (1) Before granting a licence the prescribed authority may make any enquiry it considers necessary and shall satisfy itself,

(*a*) that the warehouse mentioned in the application is suitable for the proper storage of the class or classes of goods for which it is intended;

(*b*) that the applicant is competent to conduct such a warehouse;

(*c*) that the applicant fulfils any other condition notified by the State Government under sub-section (2);

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(*d*) that the applicant has paid the fee prescribed for the licence and has also furnished the security under section 5 ; and

(*e*) that there is no other reason for which the applicant may, in the opinion of the prescribed authority, be deemed to be disqualified.

(2) The State Government may, by notification in the *Mysore Gazette*, add to or alter the conditions under which a licence is granted to a warehouseman.

Term and renewal of licence.

**7.** Every licence granted under section 6 shall be valid for the prescribed period, and may, on the expiry of such period, be renewed by the prescribed authority on application and on payment of the prescribed fee, provided the conditions in sub-section (1) of section 6 continue to be fulfilled.

Suspension and cancellation of licence.

**8.** (1) A licence granted under section 6 or renewed under section 7 shall be liable to be suspended or cancelled either temporarily or permanently by the prescribed authority for reasons to be stated in writing and in particular if the warehouseman—

(*a*) has been adjudged an insolvent, or

(*b*) has parted in whole, or in part, with his control over the licensed warehouse, or

(*c*) has ceased to conduct such licensed warehouse, or

(*d*) has made exorbitant or unreasonable charges for the services rendered by him, or

(*e*) has in any other manner become incompetent to conduct the business of warehousing, or

(*f*) has contravened any of the terms of the licence or any of the provisions of this Act and the rules.

(2) The State Government may prescribe any other conditions under which a licence may be suspended or cancelled.

Notice of suspension and cancellation of licence.

**9.** (1) Before suspending or cancelling a licence under section 8, the prescribed authority shall give notice to the warehouseman of the grounds on which it is proposed to take action and give him a reasonable opportunity of showing cause against it.

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(2) After considering the explanation, if any, offered by the warehouseman, the prescribed authority, may suspend or cancel the licence or pass such orders as it deems just.

Arrangements for carrying on the warehousing business pending enquiry.

**10.** The prescribed authority may suspend the licence of a warehouseman pending the decision of the enquiry mentioned in section 9 and make interim arrangements, if necessary, for carrying on the warehousing business.

Return of licence.

**11.** (1) When a licence expires or is suspended or cancelled, the warehouseman shall cease to carry on the business of a warehouseman and shall return the licence to the prescribed authority.

(2) When a licence expires or is suspended or cancelled, the custody of the goods under deposit shall vest in the prescribed authority and such authority shall have the power to settle the claims of the depositors.

Duplicate licence.

**12.** If a licence granted to a warehouseman is lost, destroyed or damaged, the prescribed authority shall, on the application of the warehouseman and on payment of the prescribed fee, issue a duplicate licence.

Penalty for carrying on business as a warehouseman without a licence.

**13.** Any person who carries on the business of a warehouseman without a licence, or who without a licence holds himself out as a licensed warehouseman, shall be punishable with imprisonment for a term which may extend to one year or with fine or with both.

Publication of list of licenced warehouses.

**14.** The State Government shall publish in the *Mysore Gazette* the names and locations of warehouses licensed under this Act with the names and addresses of the licensees and also a list of all licences suspended or cancelled under this Act.

## CHAPTER III.

### DUTIES OF A WAREHOUSEMAN.

Reasonable care of the goods deposited to be taken.

**15.** Every warehouseman shall take such care of the goods deposited with him as a man of ordinary prudence would take of his own goods under similar circumstances and conditions.

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**16.** (1) Every warehouseman shall keep his warehouse clean and in a sanitary condition, and take all necessary precautions against rats and other pests which are likely to cause damage or injury to any of the goods stored in the warehouse, and fulfil such other conditions as may be prescribed. Precautions against damage or injury to goods.

(2) No warehouseman shall accept for storing in his warehouse goods which are contaminated or infected by worms or pests, and which are likely to cause damage to other goods stored in the warehouse.

**17.** (1) Every warehouseman shall keep and maintain in a place of safety such books, accounts and records as may be prescribed and shall allow them to be inspected in such manner and by such persons as may be prescribed. Accounts and books to be maintained by warehouseman.

(2) Any warehouseman who contravenes sub-section (1) shall be punishable with imprisonment for a term which may extend to six months or with fine or with both.

**18.** Every warehouseman shall exercise such care to keep in his warehouse the goods of different depositors separate from each other so as to permit at all times the identification of the ownership and the maintenance of the quality of the goods deposited and to facilitate easy delivery of such goods on demand by depositors : Preservation of identity of goods.

Provided that where standardised and graded goods are stored in a warehouse, then, subject to any agreement between the warehouseman and any depositor, the same variety of goods belonging to different depositors may be mingled together and each depositor shall be entitled only to his portion of the goods according to weight or quantity, as the case may be, as shown in his receipt.

**19.** Every warehouseman shall build and maintain the warehouse in such manner as is laid down in the terms of licence granted to him. Maintenance of warehouse.

**20.** Every warehouseman shall allow necessary facilities for the depositor to inspect and satisfy himself that his goods are properly cared for. Warehouseman to allow facilities for the depositor to inspect.

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Goods deteriorating in warehouse and their disposal.

**21.** (1) Whenever goods stored in a warehouse deteriorate from causes beyond the control of the warehouseman, he shall forthwith give notice of such deterioration to the depositor and of their liabilities to be sold on a specified date and requiring the depositor to take delivery of the goods immediately, after surrendering the receipt duly discharged and paying all charges due to the warehouseman.

(2) If the depositor does not, within a reasonable time, comply with the notice given to him under sub-section (1), the warehouseman may cause the goods to be removed from the warehouse and dried or reconditioned and sold by public auction at the cost and risk of the depositor.

(3) Any person having an interest in any goods deposited in a warehouse or in the receipt covering such goods may notify the warehouseman in writing of the fact and nature of his interest and the warehouseman shall keep a record thereof; and if such person requests in writing that he be given notice regarding the condition of the goods and agrees to pay the charges for giving such notice, the warehouseman shall give him notice accordingly.

Delivery of goods.

**22.** (1) Every warehouseman shall deliver the goods on demand by the holder of the warehouse receipt on his offer to satisfy the warehouseman's lien, to surrender the receipt properly endorsed, and to give, when the goods are delivered, an acknowledgment that they have been delivered: provided that where a duplicate receipt has become issuable under this Act but cannot be issued within a reasonable time due to any extraordinary or technical reasons and it is necessary to deliver the goods forthwith to avoid deterioration, a warehouseman may deliver the goods without the receipt being surrendered on terms as to indemnity.

(2) Every such receipt after being so surrendered to the warehouseman shall be defaced by him and no such receipt shall be re-issued:

Provided that it shall be lawful for the warehouseman upon the surrender of such receipt, when part only of the goods is delivered on request, to issue to the depositor a new receipt for the goods remaining undelivered.

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**23.** (1) Notwithstanding anything contained in any other law, no warehouseman shall, either on his own account or that of others, deal in, or lend money on, goods received by him for deposit in his warehouse. Warehouseman not to deal in or lend against goods in his warehouse.

(2) Any person who contravenes sub-section (1) shall be punishable with imprisonment for a term which may extend to one year or with fine or with both.

**24.** Any warehouseman who delivers any goods out of the warehouse save as provided in section 22 or who re-issues any receipt surrendered to him, shall be punishable with imprisonment for a term which may extend to two years or with fine or with both. Penalty for delivery of goods without surrender of receipt or re-issue of surrendered receipt.

**25.** Any warehouseman who issues any receipt for goods which are not in his warehouse or who issues two or more receipts for the same goods or who issues receipts for goods in which he has any share or interest or who aids or abets any other person to do so shall be punishable with imprisonment for a term which may extend to three years or with fine or with both. Penalty for issue of receipt for goods not in the warehouse, etc.

**26.** Every warehouseman shall accept for storage in his warehouse so far as its capacity permits any goods tendered for warehousing by any depositor in the ordinary course of business without showing such discrimination between persons desiring to avail themselves of the facilities of his warehouse as will prejudicially affect their interests: Discrimination prohibited.

Provided that a warehouseman may give preference to or concession in favour of a co-operative society registered under the Mysore Co-operative Societies Act, 1948.

**27.** Every warehouseman shall insure, in such manner as may be prescribed, the goods stored in his warehouse against loss or damage by fire, floods, theft or any other accident. Insurance of goods in warehouse.

**28.** Every warehouseman shall have a lien on the goods stored in his warehouse for the cost of storage and preservation of the goods and for all the lawful charges incidental to the business. Warehouseman's lien.

## CHAPTER IV. 922

### INSPECTION AND CLASSIFICATION OF GOODS.

Inspection.

**29.** The prescribed authority may inspect or examine a warehouse licensed under this Act, its machinery, equipment, goods stored therein and the account books and records relating thereto, at any time during business hours, for the purpose of satisfying itself that the requirements of this Act and the rules are being complied with.

Licensed samplers, weighers and classifiers.

**30.** (1) The prescribed authority may issue licences to qualified and competent persons entitling them to act as samplers, weighers and classifiers of any goods stored or to be stored in a warehouse and to issue certificates as to quality, weight or grade of the goods which they have examined.

(2) The certificates issued by samplers, weighers, and classifiers as to quality, weight or grade of the goods stored in the warehouse shall, subject to any order in appeal preferred by either of them to the Board of Arbitrators, be binding on the warehouseman and the depositor.

(3) The prescribed authority may appoint a Board of Arbitrators to decide on any complaints against samplers, weighers and classifiers or warehousemen relating to quality, weight or grade of goods stored in the warehouse. The decision of the Board of Arbitrators shall be final and shall not be liable to be questioned in any court of law.

Suspension or cancellation of licence.

**31.** Subject to rules made in this behalf, every licence granted to a sampler, weigher or classifier may be suspended or cancelled by the prescribed authority.

Return of licence.

**32.** Whenever a licence granted to a sampler, weigher or classifier expires, or is suspended or cancelled, he shall return it to the prescribed authority.

Prohibition of un-licensed weighers, classifiers, etc.

**33.** (1) No person who is not licensed under this Chapter shall act or hold himself out as a sampler, weigher or classifier.

(2) Any person who contravenes sub-section (1) shall be punishable with imprisonment for a term which may extend to six months or with fine or with both.

## CHAPTER V.

### WAREHOUSE RECEIPTS.

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**34.** (1) A warehouseman shall issue a receipt in the prescribed form containing full particulars in respect of the goods stored in his warehouse by each depositor. Issue of receipts.

(2) The State Government may prescribe the stamp duty that may be levied in respect of a receipt issued under this section.

**35.** A receipt issued by a warehouseman shall, unless specified otherwise thereon, be transferable by endorsement, and shall entitle its lawful holder thereof to receive the goods specified in it on the same terms and conditions as the original depositor. Receipt transferable by endorsement.

**36.** If a receipt is lost, destroyed or damaged, the warehouseman shall, on application by the depositor and payment of the prescribed fee, issue a duplicate receipt. The duplicate receipt shall be issued under such conditions as may be prescribed. Duplicate receipt.

## CHAPTER VI.

### MISCELLANEOUS.

**37.** Where any licence is suspended or cancelled under this Act, the licensee shall not be entitled to any compensation therefor, nor shall he be entitled to any refund of any fee paid by him for the licence. No compensation for suspension or cancellation of licences.

**38.** Every contract or agreement which is inconsistent with the provisions of this Act or the rules, shall, to the extent of such inconsistency, be void. Contracts and agreements inconsistent with Act to be void.

**39.** Whoever knowingly or wilfully contravenes any of the provisions or requirements of this Act or the rules shall, if no express provision is made by this Act for the punishment of such contravention, be punishable with imprisonment for a term which may extend to one year or with fine or with both. Penalty.

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Offences by Corporations.

**40.** Where a person committing any offence under this Act is a company or an association or body of persons, whether incorporated or not, every director, manager, secretary, agent or other officer or person concerned with the management thereof shall, unless he proves that the offence was committed without his knowledge or consent, be deemed to be guilty of such offence.

Appeal to State Government.

**41.** An appeal shall lie to the State Government within such period and subject to such conditions as may be prescribed against any order passed by the prescribed authority under any of the provisions of this Act.

Act not to affect warehouse under any other enactment.

**42.** Nothing in this Act shall be deemed to apply to warehouses established or licensed under any other enactment for the time being in force.

Rules.

**43.** (1) The State Government may, by notification in the *Mysore Gazette*, make rules to carry out all or any of the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all, or any of the following matters, namely :—

(*a*) the authority empowered to carry out the duties under this Act ;

(*b*) the form of application for the grant of licence to a warehouseman and the period and conditions of licence, its renewal, and conditions for the issue of a duplicate licence ;

(*c*) the form of receipt to be issued by a warehouseman, the particulars to be specified therein and the conditions for the issue of duplicate receipts ;

(*d*) the nature of the accounts, books and records to be maintained by a warehouseman and the persons by whom and the manner in which they may be inspected ;

(*e*) the manner of giving notices under this Act ;

(*f*) the manner of conducting a public auction for the sale of goods deteriorating in a warehouse and accounting for the proceeds of such sale ;

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(*g*) the procedure to be followed in proceedings before the Board of Arbitrators and the mode of executing their award;

(*h*) the qualifications and grant of licences to samplers, weighers and classifiers, the conditions and period of their licences, the form of certificates to be issued by them, renewal of their licences, the conditions under which the licences may be suspended or cancelled and the conditions for the issue of duplicate licences;

(*i*) the amount of fees for the grant of licences under this Act and their renewal and for the issue of duplicate licences;

(*j*) the regulation of the schedule of fees or charges to be levied by a warehouseman for storing goods in the warehouse;

(*k*) the standard weights, measures and classifications of goods to be used in warehouses under this Act;

(*l*) the publication of the grant, suspension or cancellation of licences and the list of licensed warehouses;

(*m*) matters arising out of sub-section (2) of section 11 of this Act;

(*n*) all matters expressly required or allowed by this Act to be prescribed; and

(*o*) generally for the efficient conduct of the business of a warehouseman.

**Statement of Objects and Reasons.**

The object of this Bill is to encourage the establishment of independent warehouses for the storage chiefly of agricultural produce, and to make provision for the proper supervision and control of such warehouses. The receipt issued by the warehouseman for the produce stored by him will be transferable by endorsement and will serve as a collateral security for any loan required by the agriculturist for the purpose of financing his seasonal agricultural operations, etc. The *modus operandi* will be as follows: The agriculturist will deposit his produce in a

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warehouse and get a receipt from the warehouseman which he will endorse in favour of the Bank or Co-operative Society giving the loan to him. As a result of this Bill, it is expected that there will be a considerable increase in the volume of finance available to agriculturists and further that the agriculturist will be able to realise better prices for his produce, as he will no longer be under the necessity of disposing of it in a hurry in unfavourable market conditions.

The Bill is based on the lines recommended by the Reserve Bank of India. Similar legislation has been passed in Bombay and Travancore.

Every warehouseman is required to take out a licence for the conduct of his business. Before granting a licence to a warehouseman, the prescribed authority will satisfy itself that the warehouse is suitable for the proper storage of the goods in respect of which the application is made, and that the applicant is competent to conduct the business. The licence will be valid for a prescribed period and may be renewed from time to time. It may be suspended or cancelled by the prescribed authority for reasons to be recorded in writing, after giving the warehouseman an opportunity of making his representations, if any, in regard to the matter. When the licence expires, or is suspended or cancelled, it is to be returned to the prescribed authority.

The warehouseman has to take proper care of the goods deposited in the warehouse, and to keep it clean and in a sanitary condition and to take all necessary precautions against rats and other pests. He should not accept for storage goods which are likely to cause damage to other goods in the warehouse. The goods of different depositors should be kept separate so as to facilitate their ready identification and delivery. If any goods deteriorate, the warehouseman should give notice to the owner of the goods asking him to take delivery of the goods; and if the owner fails to do so, within a reasonable time, the goods may be disposed of by public auction at his cost and risk. The warehouseman is required to insure goods against loss or damage by fire, floods, theft or any other accident. The warehouseman is prohibited from discriminating between persons desiring to avail themselves of the facilities of the warehouse, but preference may be shown to Co-operative

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Societies. The warehouseman is prohibited from dealing in, or lending money on, goods deposited in the warehouse.

Provision has been made for the inspection of licensed warehouses and also for the issue of licenses to qualified persons entitling them to act as samplers, weighers and classifiers. The warehouseman should provide facilities for weighing and classifying goods deposited in the warehouse.

Any contract or agreement which is inconsistent with the provisions of the Bill or the rules made under it will be void to the extent of the inconsistency.

Power has been taken to make rules under the Bill in regard to all necessary matters.

T. MARIAPPA.

By Order of His Highness the Maharaja,

B. S. PUTTASWAMY,
*Legal Remembrancer and*
*Secretary to Government,*
*Law Department.*

## NOTIFICATION.

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No. L. D. 1622-28, dated Bangalore, 14th August 1950.

Under Rule 36 of the Mysore Legislative Rules, the following Bill, together with Statement of Objects and Reasons, is published for general information.

## THE MYSORE CONTINGENCY FUND BILL, 1950.

**A Bill to provide for the establishment of a Contingency Fund for the State of Mysore.**

WHEREAS clause (2) of Article 267 of the Constitution of India provides that the Legislature of a State may by law establish a Contingency Fund in the nature of an imprest; Preamble.

AND WHEREAS it is expedient to establish such a Contingency Fund for the State of Mysore;

It is hereby enacted as follows:—

1. (1) This Act may be called the Mysore Contingency Fund Act, 1950. Short title, extent and commencement.

(2) It extends to the whole of the State of Mysore.

2. There shall be established for the State of Mysore a Contingency Fund in the nature of an imprest, called "the Contingency Fund of the State of Mysore", and consisting of a sum of thirty lakhs of rupees withdrawn from the Special Reserve Fund of the State. Establishment of a Contingency Fund.

3. The Contingency Fund of the State of Mysore shall be held on behalf of the Rajpramukh by the Secretary to the State Government, Finance Department, and no advances shall be made out of such Fund except for the purpose of meeting unforeseen expenditure pending authorisation of such expenditure by the State Legislature under appropriations made by law. Custody of the Contingency Fund and withdrawals therefrom.

4. The State Government may, by notification in the *Mysore Gazette*, make rules for the purpose of carrying into effect the provisions of this Act. Power to make rules.

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## Statement of Objects and Reasons.

Under the Government of Mysore Act, 1940, the Government could meet unforeseen expenditure in the service of the State without authorization from the Legislature and then regularise it by moving a supplementary demand for a grant. The present Constitution does not permit of this procedure, but it authorizes the State Legislature to pass a law for establishing a Contingency Fund in the nature of an imprest to meet only unforeseen and urgent items of expenditure. It is accordingly proposed to establish a Contingency Fund for this State.

Provision has been made in the Bill for withdrawing a sum of 30 lakhs of rupees from the Special Reserve Fund of the State and transferring it to the credit of the Contingency Fund. The advances authorised out of the Fund for unforeseen expenditure will be recouped to the Fund by supplementary funds authorized by the Legislature through supplementary appropriation accounts or at the end of the financial year. The Fund will be administered by the Finance Department on behalf of the Rajpramukh.

H. C. DASAPPA.

By Order of His Highness the Maharaja,

B. S. PUTTASWAMY,
*Legal Remembrancer and*
*Secretary to Government,*
*Law Department.*

Printed by the Director of Printing, Stationery and Publications
at the Government Press, Bangalore.